**SOP – Biology Department Student Funding, Expenditures and Tax Exempt Status**

**Policy and Procedure**

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SOP – Biology Department Graduate Student Funding through Scholarships or Grants

Section: Students

Subject: Student Funding Usage

Approved By:

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**Department of Biology**

**Purpose**

The purpose of this document is to identify Biology Department procedures as to graduate student funding through Scholarships, or grants such as GRAC, etc.

**Policy**

This procedure applies to employees and faculty dealing with requests for purchased by graduate students awarded scholarships or grants in the Department of Biology.

**Definitions**

Funding: Any awards or scholarships graduate students receive which deposits funds into their personal checking account.

In Question: Ability to use Biology indices and tax-exempt status

**Controls**

All employees and faculty dealing with students will be aware of this SOP by reading and reviewing it. All new employees must read and review this and understand the UNM/Department Policy:

UNM/Department Policies that restrict this activity -

* All scholarships must be processed through Workflow and disbursed *to the student* through the Bursar’s office to ensure proper reporting
	+ The Scholarship Office and the University Cashiers Department will facilitate the payment of all awards. All awards will be distributed in accordance with [UAP 7230 ("Financial Aid Disbursement")](https://policy.unm.edu/university-policies/7000/7230.html).
* The Department of Biology does not accept personal checks from students, as all student funds/revenue must be collected through the Bursar’s Office in the form of course fees or tuition.
	+ Biology index revenue cannot be funded by personal funds of any kind, thus depositing student award, scholarship, or grant money into an existing account is not allowable and may be subject to a financial audit outside of the department.
	+ Should personal funds be given to the UNM Biology Department, they must go through the [UNM Foundation](https://www.unmfund.org/) to ensure proper reporting and taxing.
* Awards and scholarships coming from the department are often funded by UNM Biology Foundation funds which must be awarded directly to the student to ensure compliance with donor intent.
	+ Funds cannot be transferred from a Foundation index into an existing Biology index.
* The UNM Tax Exempt status pertains to items being purchased for the mission of the University using University funds.
	+ Once an award or scholarship is issued to a student, those funds no longer belong to UNM and are no longer subject to receive tax-exempt status.

Completion of the review of this information by any staff should be sent directly to the Department Administrator by the supervisor of the employee.

**Responsibilities**

Employees: Employees are responsible for ensuring that they understand the regulations regarding appropriate use of the University’s tax-exempt status.

Supervisors: Supervisors are responsible for ensuring that their graduate students have reviewed the necessary SOP Graduate Student Funding and Tax-Exempt Status.

Department Administrator: The Department Administrator is responsible for verifying employees have completely reviewed the regulations.

Department Chair: The Department Chair will ensure that faculty and graduate students are reminded each year to review the regulations.

**Specific Instances:**

Request to deposit awards, scholarship, or grant money into a PI’s index in order to purchase goods using the University’s tax-exempt status.

**Resolution:**

All graduate students receiving funding from other sources must use their own personal credit cards or checks to purchase research materials and are required to pay taxes on these items. The Department has no recourse in this matter and has tried to resolve this issue for students over the years, but has had no luck in getting these policies changed to date.

**Approvals and Authorization**

Name: Cristina Takacs-Vesbach

Title: Chair

Revision

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Comment

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Approved